
CONVEYANCE AGREEMENT

Dated as of August 1, 2012

by and between the

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

and the

DISCOVERY BAY PUBLIC FINANCING AUTHORITY

Relating to the

DISCOVERY BAY WATER PROJECT

CONVEYANCE AGREEMENT

THIS CONVEYANCE AGREEMENT is entered into as of the first day of August, 2012 by and between the DISCOVERY BAY COMMUNITY SERVICES DISTRICT, a community services district duly organized and existing under the Constitution and laws of the State of California (the "District") and the DISCOVERY BAY PUBLIC FINANCING AUTHORITY, a joint powers authority, operating and acting pursuant to the laws of the State of California (the "Authority").

RECITALS:

WHEREAS, the District and the Authority desire the Authority to issue its "Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (Water and Wastewater Financing Projects), in the aggregate principal amount of \$_____ (the "Bonds"), to be secured by installment purchase payments to be made by the District, as purchaser of the Water Enterprise (hereafter referred to as the "Property"), as described in Indenture, dated as of August 1, 2012 (the "Indenture"), by and between the Authority and _____, as the trustee named therein (the "Trustee"), to the Authority, as seller, pursuant to that certain installment sale agreement dated as of August 1, 2012 (the "Water Installment Sale Agreement"), by and between the Authority and the District, in order to provide funds to finance the acquisition of the Property.

NOW, THEREFORE, in consideration of receipt of the amount of \$9,700,000 by the District as the purchase price of the Property, and of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

Section 1. The District hereby sells, conveys and transfers to the Authority all of its right, title and interest in and to the Property, and the Authority hereby purchases, acquires and accepts from the District all of the District's right, title and interest in and to the Property, subject to the obligation of the Authority to resell the Property to the District pursuant to the Water Installment Sale Agreement.

Section 2. The District hereby agrees to cooperate and provide further assurances to the Authority in order to accomplish the purposes of this Conveyance Agreement. The District hereby agrees to indemnify and hold the Authority harmless against any and all claims, losses, costs or damages as a result of the District's conveyance of the Property to the Authority as provided herein, or the acquisition of the Property.

IN WITNESS WHEREOF, the Authority and the District have caused this Conveyance Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

DISCOVERY BAY PUBLIC FINANCING AUTHORITY

By: _____
Chairperson

(S E A L)

Attest:

By: _____
Executive Director

TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT

By: _____
President

Attest:

By: _____
General Manager